

Montana House of Representatives  
Honorable Members of  
The State Administration Committee

Dear ladies and gentlemen:

We are presenting the case for HB 639 "Sound Money" for the State of Montana. We have assembled a group of highly qualified and world renowned experts on constitutionally "sound money" to walk you through the process. We will help you to understand the events that took us from a very stable asset backed monetary system to a very unstable system of fiat currency. We will explain the reasons we need a return to sound money, the steps required to re-establish sound money, and the mechanics of a system to administer sound money policy.

We will show you how this system can be implemented with minimal impact on the continued use of Federal Reserve notes and coin of the realm (legal tender). Our object **isn't** to **forcibly** replace Federal Reserve notes with sound money. History and the dynamics of a failing financial system will likely do that without any input from us. Passage of this Bill will provide the **option, template and the mechanism** to give Montana a worthy alternative to insolvency **should** the existing Federal Reserve System fail. To provide Montana with an insurance policy of this magnitude at so little actual cost is fiscally responsible and a tangible demonstration of your commitment to our State and the well being of your constituency. With the exception of the deposit mechanism of the Tobacco Tax the conduct of State business will be unaffected by this legislation. Tobacco distributors will be required to pay the tax proceeds into a gold depository account that will convert them into gold bullion. This will provide the seed money for a trust account owned by the State that will be 100% backed by gold and silver. The State of Montana will have, in one simple process, put **in trust** a percentage of it's tax receipts that are actually backed by something other than "the faith and credit" of a system of fiat money rapidly running out of both faith and credit. The conduct of business using the proceeds of the Tobacco Tax will remain the same. No tobacco tax funded programs will be reduced or eliminated.

Should the Federal Reserve find a way out their many complex problems and again become a stable system, the "sound money" account could be liquidated and closed at the discretion of the State. If however; the Federal Reserve System becomes more unstable and the ability of the US "dollar" to hold it's position as the world's reserve currency becomes questionable, this "sound money" concept can be easily expanded to accommodate a larger portion of the State's budget.

Montana's history is rich with the lore of strong, independent, practical people that made their own way and solved their own problems. We are now facing a time when our very existence is threatened by events and people over which we have had little control. Wall Street's biggest banks and players have taken our financial system to the brink of collapse through foolish and risky "complex financial products" that the average American neither understands nor has profited from. We are now expected to bail out the very same people that were making six, seven, eight and even nine figure salaries for years by churning and reinventing these same "financial products". Should we really expect good judgement and wisdom from the same people who got us into this mess to begin with? It is time we realize that the "really smart people" that have caused many of the problems that we now face were smart only when it came to padding their own nest at everyone else's expense.

Your ultimate responsibility is to Montana and the citizens who put their faith and trust in your good judgment. You have in your power the opportunity to change the direction of our state from the "follow the herd" mentality that comes from fear and confusion, to a direction of proven, constitutionally backed, **sound money**. The risk of being wrong weighs very heavily against following a dishonest system that, throughout history, has failed **every** time that it has been tried. It has always failed because it profits a select few at the expense of the very many.

The future of our state and our individual liberty is in your hands. Please have the strength of character and the wisdom to break our chains of bondage and chose the path of **sound money**.

Sincerely,  
Friends of Montana